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HAPPY FORGINGS LIMITED

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Version	Approval date	Description
Version 1	May 24, 2024	amended Policy
Version 2	August 4, 2026	amended Policy

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PREAMBLE

This policy is being formulated in compliance with the Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 which requires such companies, as may be prescribed to establish a vigil mechanism for directors ,employees and all other stakeholders to report genuine concerns in such manner as may be prescribed. The Company believes that good corporate governance is founded on a culture where Directors, employees and other stakeholders are encouraged to raise genuine concerns regarding any actual or suspected unethical, improper or illegal conduct without fear of retaliation.

The Company has adopted a Code of Conduct ("the Code") for directors and senior management, which lays down the principles and standards that should govern the action of the Company and its employees.

Any actual or potential violation of the Code for employees, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Such a vigil mechanism shall provide adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

POLICY

In compliance of the above requirements, Happy Forgings Limited has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

POLICY OBJECTIVES

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors , employees and other stakeholders to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy.
The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees / stakeholders who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

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DEFINITIONS

"Audit Committee" means the Audit Committee constituted by the Board in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

"Code of Conduct" means the Company's Code of Conduct for Directors & Senior Management and Employees of the company , as amended from time to time.

Employee" means every employee of the Company, whether permanent, temporary, probationary, contractual, fixed-term, trainee or apprentice.

"**Protected Disclosure"** means a communication whether written or electronic, of a concern made in good faith, that may evidence an unethical or improper activity that reasonably demonstrates or tends to demonstrate actual or suspected unethical conduct, misconduct, fraud, corruption, abuse of authority, violation of law, breach of Company policies or any other matter covered under this Policy. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

Whistle Blower" means any person covered under this Policy who makes a Protected Disclosure in good faith under this Policy

Investigating Authority" means any person, committee, department or external agency authorized by the Audit Committee or the Ethics Officer to conduct an investigation under this Policy.

"Ombudsperson" means the CHRO of the company or such other senior officer as may be designated by the Audit Committee from time to time for administering this Policy.

"Investigating Committee" or "Committee" means the committee designated by the Audit Committee to handle complaints and the resolution process of Protected Disclosures, comprising of the following officials –

i. Compliance officer ;

ii. CHRO;

iii. CFO;

iv. COO of respective plant;and

vi. Any other person as appointed by Chairperson of Audit Committee, if any.

"Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during an investigation.

"**Whistle Blower"** is any director or employee or any other stakeholder who makes a Protected Disclosure under this Policy.

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"Victimisation" means any direct or indirect adverse action against a Whistle Blower on account of making a Protected Disclosure, including harassment, intimidation, discrimination, suspension, demotion, transfer, denial of promotion, adverse performance evaluation, termination of employment or any other unfair employment practice.

SCOPE

The Policy covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place including but not limited to:

1. Breach of the Company' s Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud.
5. Deliberate violation of laws/regulations
6. Gross or Willful Negligence causing substantial and specific danger to health, safety and environment.
7. Manipulation of company data/records
8. Pilferage of confidential/propriety information
9. Leakage/ suspected leakage of Unpublished Price Sensitive Information

ELIGIBILITY

All the Directors ,Employees and other stakeholders of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

PROCEDURE

All Protected Disclosures should be reported in writing by the complainant as soon as possible,

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not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting to ensure a clear understanding of the issues raised.

- The Protected Disclosure should be submitted under a covering letter signed by the complainant or sent through email to the designated email ID with the subject **"Protected disclosure under the Whistle Blower policy". The designated email ID is whistleblower@happyforgingsltd.co.in**
- This Policy is not, however, intended to question financial or business decisions taken by the Company that are not Protected Disclosures nor should it be used to reconsider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company.
- However, employees can lodge a Protected Disclosure anonymously without disclosing their identity. A protected disclosure received anonymously will be evaluated by the Company for investigation. In exercising this discretion, the following factors will be taken into consideration:

  I. The gravity of the issue raised.
  II. The credibility of the concern.
  III. The confirmation of the allegations from attributable sources.

- All Protected Disclosures should be addressed to the Chief Human Resources Officer (CHRO)/ ombudsperson of the Company. After review of the complaints received, those concerning the employees at the levels of Vice President and above shall be forwarded to the Chairman of the Audit Committee of the Company.

- To protect the identity of the complainant, no acknowledgement shall be issued to the complainants, and they are not advised to write their name / address on the envelope or in the email if they wish to lodge the complaint anonymously.

- Although a Whistle blower is not required to furnish any more information than what he/she wishes to disclose, it is essential for the Company to have all critical information in order to enable the Company to effectively evaluate and investigate the complaint. It is difficult for the Company to proceed with an investigation on a complaint, which does not contain all the critical information.

- To the extent possible, the complaint or disclosure must include the following:

  1. The parties involved.
  2. The sector of the Company where it happened (Location, Department etc.).
  3. Date and time of occurrence.
  4. Brief details of the incident.
  5. Name of the person with whom correspondence is to be done.
  6. Any other information that is necessary to be disclosed for investigation

INVESTIGATION

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The

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Ombudsperson will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency .

The investigation by itself would not be tantamount to an accusation and is to be treated as a neutral fact-finding process.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as required.

Any member of the investigating committee /Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

In case of any matter of leakage of Unpublished Price Sensitive Information, the complaint of the same would be investigated in accordance with the code for fair disclosure of UPSI and PIT policy.

DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the investigating committee will recommend such disciplinary or corrective action as it may deem fit to the audit committee .

Any disciplinary or corrective action initiated against the Subject because of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

A quarterly report with the number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct shall be subject to appropriate disciplinary action in accordance with the rules, procedures, and policies of the Company.

CONFIDENTIALITY

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The complainant, the ombudsperson, Members of Audit Committee, the subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.
Confidentiality will be maintained to the extent reasonably practicable depending on the requirements and nature of the investigation, as indicated above.

PROTECTION

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimization of complainants shall be provided. The Company will take steps to minimize difficulties which the Whistle Blower may experience because of making the Protected Disclosure.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

DISQUALIFICATIONS

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted.

ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases or in case it is regarding someone in the senior management of the company and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.
The complaint can be submitted to the chairperson of Audit Committee vide email communication to the designated email ID – chairpersonac@happyforgingsltd.co.in

COMMUNICATION

Directors and Employees shall be informed of the Policy by publishing it on the noticeboard and the website of the Company.

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RETENTION OF DOCUMENTS

The Chief Human Resources Officer shall maintain documentation of all Protected disclosures received under this policy, in writing or documented along with the results of the Investigation relating thereto and shall be retained by the Company for a period of 5(five) years or such other period as specified by any other law in force, whichever is more.

AMENDMENT

The Company reserves the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Modifications may be necessary for the purpose of being compliant with the relevant laws, rules, regulations etc. or to accommodate any changes within the company.
However, no such amendment or modification will be binding on the Directors , employees / stakeholders unless the same is communicated in the manner described above.

DISSEMINATION

This Policy shall be made available on the Company's website for the information of stakeholders.